



BYLAW

Agenda Item Number: 6.2.2

Meeting Date: 5/7/2024

Author: G. Filafilo

TO: Mayor and Council

FROM: Finance

BYLAW: 2420, 2024 Corporation of the District of Peachland Financial Plan Bylaw

RECOMMENDATION:

THAT Council adopt Bylaw No. 2420, 2024 Corporation of the District of Peachland Financial Plan Bylaw.

PURPOSE

An annual 5-year financial plan is required by legislation.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The Community Charter requires that Council adopt the financial plan prior to adoption of the Annual Tax Rates Bylaw which must be approved by May 15th. At the Special Council meeting of April 29, 2024 Council approved 1st, 2nd, and 3rd readings of the Bylaw

CHIEF ADMINISTRATIVE OFFICERS COMMENTS

Approved for Council's consideration.

REPORT

BACKGROUND

Prior to adoption of the Annual Tax Rate Bylaw, which is due May 15, Council must adopt the Financial Plan.

DISCUSSION

The 2024 Financial Plan represents a 7.74% tax impact as a result of:

- A budget review that focused on completing existing projects and a review of proposed expenditures reflecting historical costs while considering current elevated levels of inflation,
- Additional revenue generated by new construction assessment,
- The use of Reserves and prior years' surplus to reduce the tax impact,
- Funding from the Growing Communities Fund, Community Works Reserve, Provincial Grants and Capital reserves for eligible projects.

Council, through the budget deliberation process in December 2023, approved a 7.74% increase in General Municipal Property Taxes for the Average Single-Family Dwelling. This equates to a \$120.14 annual increase.

Council approved the introduction of a General Reserves Fund beginning in 2024 to be funded from taxation to assist with budget requests that occur after final budget approval and will be the start of building a source of funds in case of emergencies.

After the Provisional Budget approval in December, Council approved the following changes to be included in the 2024 budget and a resolution is required to approve the proposed reductions.

Meeting Date	Description		Taxation	Water Capital Reserve	Fire Dept Equip Reserve
Feb 27 2024	Communications	Funding requested for monthly newsletter.	16,500		
Feb 27 2024	Civic Grants	Budgeted \$75,275 Council Approved \$81,150 increase \$5,875.	5,875		
Feb 27 2024	Water project	Bonnie Lane PRV		125,000	
		Fiber Optic Line replacement		14,000	
		Water Line Freezing Equipment		6,000	
		Sea Can Storage		7,500	
Feb 27 2024	Emergency Generator	Law Street Reservoir Back up Generator		145,000	
March 12 2024	Civic Grants	\$7,000 for start up costs for Peachland Car show	7,000		
March 12 2024	Fire Dept Bylaws	Funding to update Fire and life Safety Bylaw			9,500
Subtotal : Addition to 2024 Budget			29,375	297,500	9,500
Proposed Reductions	Street Sweeping	Quotes came in lower than anticipated and budget can be reduced by \$4,375.	- 4,375		
Dec 5 2022	General Reserve	Council approved annual contribution of \$100,000 to General Reserve Fund. Proposal is to decrease 2024 contribution to \$75,000	- 25,000		
Final updates to 2024 Budget			-	297,500	9,500

The reductions were approved at the April 29, 2024 meeting.

Parcel tax changes for 2024 are summarized as follows:

Parcel Tax	2024	2023	change
Renewing in 2024:			
Water Treatment Plant Debt Servicing	199.60	190.00	9.60
Levies to be collected as General Tax as of 2024:			
General Capital Asset Renewal*	150.00	150.00	0.00
Sewer Capital Asset Renewal*	18.96	18.96	0.00
Water Capital Asset Renewal*	54.77	54.77	0.00
Water Capital Improvements*	160.00	160.00	0.00
New for 2024:			
Protective Services Building Project**	50.00	0	50.00
Debt paid and Parcel Tax retired in 2024:			
Turner Park Servicing Debt	0	100.00	-100.00
Sewer Forcemain Debt	0	75.00	-75.00
	0.00	175.00	-175.00
Overall, a \$115.40 decrease in parcel taxes	633.33	748.73	-115.40

The 2024 policing budget in the amount of \$988,488 represents an increase of \$95,767 (10.8%) to fund increasing RCMP costs across the Province. The estimated increase for 2024 is \$24.17 (7.85%) for the average Peachland household and is due to the RCMP police services contract in addition to the RCMP support services contracts with the City of Kelowna and City of West Kelowna.

The transit budget increased \$10,750 overall due to increased operating costs. This represents an estimated increase of \$2.55 or 3.44% for the average household.

Some of the new major capital projects identified in the 2024 Financial Plan include:

- \$600,000 for road remediation projects.
- \$910,000 for Turner Park Improvements.
- \$100,000 for Sanderson Dog Park.
- \$81,000 for Fire department equipment.
- \$109,200 for Dock pilings and boat launch works.
- \$160,000 for Active Transportation Network and pathways.
- \$67,000 for website upgrade, plotter, and server.
- \$650,000 for Bonnie Lane pressure reducing station.
- \$145,000 for Law Street Reservoir backup generator.

The Growing Community Fund Grant from the Province has been used to fund many of the capital projects and for 2024 the total funds budgeted are \$1,800,000. This leaves approximately \$1,050,000 remaining for future projects. Interest earned is added to the initial funding of \$2,766,000 to increase the amount available for use.

With respect to the collection of taxes for other tax authorities they increased by \$ 292,408, which is \$46.23 (2.99%) for the average household. The largest component being an increase in School Taxes at \$37.13.

PUBLIC CONSULTATION

In addition to various questions posed to Councillors and addressed by staff since adoption of the provisional budget, the District of Peachland held a 2024 Budget Open House on February 27, 2024, from 4 to 6 pm at the Peachland Community Centre. The event was attended by 24 members of the public and 18 surveys were completed.

Executive Summary of Survey Results

- Respondents are cautiously supportive of the current proposed tax increase of 7.74% but indicate support for keeping increases low, in line with cost-of-living increases.
- Residents indicated support for increasing property taxes to maintain services, while looking for efficiency and cost-savings.
- Water and sewer infrastructure, growth management and a reliable road network were the three most selected community issues by respondents.
- All but one respondent indicated their quality of life in Peachland is Very Good or Good.
- 13 respondents indicated they were Very Satisfied or Satisfied with the municipal services their tax dollars support.
- In-person communication (open house, public forum, neighbourhood meetings) and mailed information (tax notice, newsletter information) are the preferred methods of engagement with survey respondents.
- All but one respondent owns a home in Peachland; 14 attendees were over the age of 55.

IMPLICATIONS/RELATED ISSUES/RISK

The 2024 Financial Plan must be approved prior to the 2024 Tax Rate Bylaw which is to be submitted to the Ministry by May 15, 2024.

STRATEGIC DIRECTION

Fiscal Responsibility

The 2024 Financial Plan follows Council's direction to continue to build a community that provides services and amenities for the whole of Peachland.

CONCLUSION

Council is asked to support the 2024 Financial Plan Bylaw.

SUPPORTING DOCUMENTATION

2024 Financial Plan Bylaw Number 2420, 2024 which includes:

- Schedule A – Revenues and Expenditures for the next 5 years
- Schedule B – 2024 Objectives and Policies, Revenue Sources, Permissive Tax Exemptions,
- Schedule C – Capital Expenditures – 20-year plan

REVIEWED & APPROVED BY Joe Creron, CAO